

### DETAILED ACTION

1. This communication is a first Office Action Non-Final rejection on the merits. Claims 1 – 20, as originally filed, are currently pending and have been considered.
- 2.

#### ***Claim Rejections - 35 USC § 102***

3. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

4. **Claims 1 - 20 are rejected under 35 U.S.C. 102(b) as being anticipated by Kanter (5,537,314).**

**As per claim 1**, Kanter discloses an integrated referral processing and managing system comprising:

a business rules engine for applying at least one business rule to referral data associated with a business entity (column 17, lines 33 – 48 which disclose a business rule engine such as system 24 that stores referral information);

a data store for storing said referral data (column 18, lines 16 – 35 disclose an account memory such as memory 30 and device 34 that store information on the referral commission or customer members);

a reporting and pattern analyzer (such as systems 24 and 30 of figure 1) for analyzing said referral data and for generating reports about said referral data (column 21, lines 47 – 56 teach a participant 72 earns commission on the sales volume of the

recruits, [participant 74, referee]. The referral data is the information participant 72 [referrer] provides on the enrollment form and passes on to participant 74 [referee] which is then submitted to location 14's device 28 as well as commission information stored in memory 30); and

a notification and alert system for generating an alert to said business entity, wherein said alert is based on a plurality of criteria associated with said referral data (see column 21, lines 40 - 54 which teach an ability to alert participant 72 [business entity] of commissions earning on the sales of participant 74 via an account status, as inferred by participant having a credit available in his/her account. A plurality of criteria is inferred by commissions paid on total sales within a 30 day period).

**As per claim 2**, Kanter further discloses that the system comprises of a graphical user interface (see figure 1 which teaches a block diagram 10 with a sponsor company location computer 24 and a central control center 12. Examiner construes that computers in this system are analogous with a system that has a graphical user interface).

**As per claim 3**, Kanter further discloses the referral data includes referral event data, referrer [participant 72] data, and referee [participant [74] data (see column 21, lines 48 - 56 which teach an example of commission based on a referral. If a sponsoring company decides to pay commissions at a later date, the referral data will be stored in memory. Examiner construes that storing referral data that includes commissions earned data is analogous to referral. Referral event data is also analogous to referrer

[participant 72] sponsoring referee [participant 74] to become member of location 28, see column 21, lines 9 - 24).

**As per claim 4**, Kanter further discloses the business rule controls offering a discount voucher (see column 21, lines 48 - 51 which teach an example of a business rule that governs a referral program, in which a customer member [participant 72] earns a 1% commission for a \$500 total sales volume of that participant's recruit [participant 74] within a 30 day period. Examiner construes that the commission received by participant 72 which can be redeemed in order to receive a discount on a sale with the sponsoring company, see column 22, lines 7 – 10, is analogous with the business rule that controls a discount voucher).

**As per claim 5**, Kanter further discloses a minimum referral threshold event (see column 21, lines 48 – 56 which teach a participant might earn 1% commission for a \$500 total sales volume of a recruit. Examiner construes that this business rule is analogous with a minimum referral threshold event), a referral quality threshold event (see column 21, lines 48 – 53 which teach commission earned on \$1,000 sales volume for recruits four levels deep in 30 days), and a discount voucher qualification alert based on said business rule (see column 22, lines 7 – 14 which teach a discount voucher qualification is inferred by participant receiving a discount off a sale from a sponsoring company).

**As per claim 6**, Kanter further discloses a business entity receives said alert and adjusts a promotion based on said alert (see column 21, lines 40 - 54 which teach an ability to alert participant 72 [business entity] of commissions earning on the sales of

participant 74 via account status indicating credit available in participant account, see column 22, line 7 - 10 and having participant 72 modify his/her recruitment activities in order to achieve higher commissions levels, i.e. 2% for a \$1000 sales volume four levels deep in 30 days).

**As per claim 7**, Kanter further discloses said referral data arises from business transactions between said business entity and a plurality of customers (see column 21, lines 9 – 33 which teach transactions between participant 72 [business entity] and participant 74 and other recruits).

**As per claim 8**, Kanter discloses an integrated referral processing and managing system comprising:

a business rules engine for applying at least one business rule to referral data associated with a business entity (column 17, lines 33 – 48 which disclose a business rule engine such as system 24 that stores referral information);

a data store for storing said referral data (column 18, lines 16 – 35 disclose an account memory such as memory 30 and device 34 that store information on the referral commission or customer members);

a reporting and pattern analyzer (such as systems 24 and 30 of figure 1) for analyzing said referral data and for generating reports about said referral data (column 21, lines 47 – 56 teach a participant 72 earns commission on the sales volume of the recruits, [participant 74, referee]. The referral data is the information participant 72 [referrer] provides on the enrollment form and passes on to participant 74 [referee]

which is then submitted to location 14's device 28 as well as commission information stored in memory 30);

a notification and alert system for generating an alert to said business entity, wherein said alert is based on a plurality of criteria associated with said referral data (see column 21, lines 40 - 54 which teach an ability to alert participant 72 [business entity] of commissions earning on the sales of participant 74 via an account status, as inferred by participant having a credit available in his/her account. A plurality of criteria is inferred by commissions paid on total sales within a 30 day period); and

a business transaction system for generating transaction data including said referral data and for sending said referral data to said integrated referral processing and managing system (see column 21, lines 9 – 35 which teach a device 28 that stores information on participants/customer members of a program that provides commissions for referring others to become members of the program).

**As per claim 9**, Kanter further discloses that the system comprises of a graphical user interface (see figure 1 which teaches a block diagram 10 with a sponsor company location computer 24 and a central control center 12. Examiner construes that computers in this system are analogous with a system that has a graphical user interface).

**As per claim 10**, Kanter further discloses the referral data includes referral event data, referrer [participant 72] data, and referee [participant 74] data (see column 21, lines 48 - 56 which teach an example of commission based on a referral. If a sponsoring company decides to pay commissions at a later date, the referral data will be stored in

memory. Examiner construes that storing referral data that includes commissions earned data is analogous to referral. Referral event data is also analogous to referrer [participant 72] sponsoring referee [participant 74] to become member of location 28, see column 21, lines 9 - 24).

**As per claim 11**, Kanter further discloses the business rule controls offering a discount voucher (see column 21, lines 48 - 51 which teach an example of a business rule that governs a referral program, in which a customer member [participant 72] earns a 1% commission for a \$500 total sales volume of that participant's recruit [participant 74] within a 30 day period. Examiner construes that the commission received by participant 72 which can be redeemed in order to receive a discount on a sale with the sponsoring company, see column 22, lines 7 – 10, is analogous with the business rule that controls a discount voucher).

**As per claim 12**, Kanter further discloses a minimum referral threshold event (see column 21, lines 48 – 56 which teach a participant might earn 1% commission for a \$500 total sales volume of a recruit. Examiner construes that this business rule is analogous with a minimum referral threshold event), a referral quality threshold event (see column 21, lines 48 – 53 which teach commission earned on \$1,000 sales volume for recruits four levels deep in 30 days), and a discount voucher qualification alert based on said business rule (see column 22, lines 7 – 14 which teach a discount voucher qualification is inferred by participant receiving a discount off a sale from a sponsoring company).

**As per claim 13**, Kanter further discloses a business entity receives said alert and adjusts a promotion based on said alert (see column 21, lines 40 - 54 which teach an ability to alert participant 72 [business entity] of commissions earning on the sales of participant 74 via account status indicating credit available in participant account, see column 22, line 7 - 10 and having participant 72 modify his/her recruitment activities in order to achieve higher commissions levels, i.e. 2% for a \$1000 sales volume four levels deep in 30 days).

**As per claim 14**, Kanter further discloses said referral data arises from business transactions between said business entity and a plurality of customers (see column 21, lines 9 – 33 which teach transactions between participant 72 [business entity] and participant 74 and other recruits).

**As per claim 15**, Kanter discloses an integrated referral processing and managing system comprising:

receiving said referral data associated with a business entity (column 17, lines 33 – 48 which disclose a business rule engine such as system 24 that stores referral information);

applying at least one business rule to said referral data (see column 21, lines 9 – 35 which teach a device that stores information on participants/customer members of a program that provides commissions for referring others to become members of the program. The program offers participants the opportunity to earn 1% commission for a \$500 total sales volume of recruits' sales three levels deep within a 30 day period as described in column 21, lines 48 - 50);

storing said referral data (column 18, lines 16 – 35 disclose an account memory such as memory 30 and device 34 that store information on the referral commission or customer members);

analyzing said referral data (such as systems 24 and 30 of figure 1) for analyzing said referral data and for generating reports about said referral data (column 21, lines 47 – 56 teach a participant 72 earns commission on the sales volume of the recruits, [participant 74, referee]. The referral data is the information participant 72 [referrer] provides on the enrollment form and passes on to participant 74 [referee] which is then submitted to location 14's device 28 as well as commission information stored in memory 30); and

generating an alert to said business entity, wherein said alert is based on a plurality of criteria associated with said referral data (see column 21, lines 40 - 54 which teach an ability to alert participant 72 [business entity] of commissions earning on the sales of participant 74 via an account status, as inferred by participant having a credit available in his/her account. A plurality of criteria is inferred by commissions paid on total sales within a 30 day period).

**As per claim 16**, Kanter further discloses the referral data includes referral event data, referrer [participant 72] data, and referee [participant [74] data (see column 21, lines 48 - 56 which teach an example of commission based on a referral. If a sponsoring company decides to pay commissions at a later date, the referral data will be stored in memory. Examiner construes that storing referral data that includes commissions earned data is analogous to referral. Referral event data is also analogous to referrer



[participant 72] sponsoring referee [participant 74] to become member of location 28, see column 21, lines 9 - 24).

**As per claim 17**, Kanter further discloses the business rule controls offering a discount voucher (see column 21, lines 48 - 51 which teach an example of a business rule that governs a referral program, in which a customer member [participant 72] earns a 1% commission for a \$500 total sales volume of that participant's recruit [participant 74] within a 30 day period. Examiner construes that the commission received by participant 72 which can be redeemed in order to receive a discount on a sale with the sponsoring company, see column 22, lines 7 – 10, is analogous with the business rule that controls a discount voucher).

**As per claim 18**, Kanter further discloses a minimum referral threshold event (see column 21, lines 48 – 56 which teach a participant might earn 1% commission for a \$500 total sales volume of a recruit. Examiner construes that this business rule is analogous with a minimum referral threshold event), a referral quality threshold event (see column 21, lines 48 – 53 which teach commission earned on \$1,000 sales volume for recruits four levels deep in 30 days), and a discount voucher qualification alert based on said business rule (see column 22, lines 7 – 14 which teach a discount voucher qualification is inferred by participant receiving a discount off a sale from a sponsoring company).

**As per claim 19**, Kanter further discloses a business entity receives said alert and adjusts a promotion based on said alert (see column 21, lines 40 - 54 which teach an ability to alert participant 72 [business entity] of commissions earning on the sales of

participant 74 via account status indicating credit available in participant account, see column 22, line 7 - 10 and having participant 72 modify his/her recruitment activities in order to achieve higher commissions levels, i.e. 2% for a \$1000 sales volume four levels deep in 30 days).

**As per claim 20**, Kanter further discloses said referral data arises from business transactions between said business entity and a plurality of customers (see column 21, lines 9 – 33 which teach transactions between participant 72 [business entity] and participant 74 and other recruits).

### ***Conclusion***

5. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Austin et al., (US 2002/00822920 A1) discloses a method for providing a multi-merchant loyalty program.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to ALVIN L. BROWN whose telephone number is (571)270-5109. The examiner can normally be reached on Monday - Thursday 7:30 AM to 5:00 PM Eastern Time.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Lynda Jasmin can be reached on 571 270 3033. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Art Unit: 3627

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Elaine Gort/  
Primary Examiner, Art Unit 3627

December 31, 2007

ALB